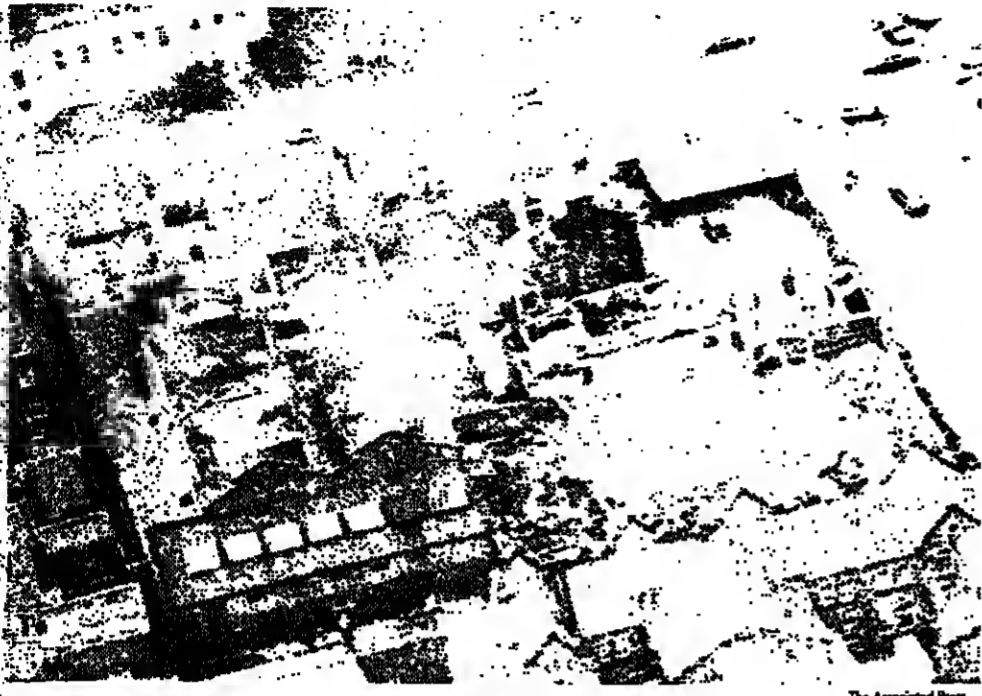


30,600

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PARIS, TUESDAY, JULY 7, 1981

Established 1887



Remains of buildings on Upper Parliament Street, including the Ragout Club, in Liverpool's Toxteth district smoldered on Monday morning following Sunday night's rioting.

Police Reinforced in Liverpool After First Use of Riot Tear Gas

LIVERPOOL — Extra police were sent to Liverpool after two nights of rioting in the city's Toxteth district...

Du Pont To Buy Conoco

Takeover Set At \$7.3 Billion

WILMINGTON, Del. — Du Pont, the largest U.S. chemical company, said Monday it has agreed to acquire Conoco...



Soviet Foreign Minister Andrei A. Gromyko, left, met with Lord Carrington, his British counterpart, in Moscow Monday.

EEC Proposals 'Not Realistic,' Moscow Says

MOSCOW — Tass on Monday night denounced a Common Market initiative on Afghanistan as a diversionary ploy...

Poland Sees Moscow Accepting Congress

WARSAW — Polish officials declared themselves satisfied Monday with the outcome of the visit by Soviet Foreign Minister Andrei A. Gromyko...

Advertisement for a book titled 'PER IL COMUNISMO' with various headlines in Italian and English.

Kidnapped Industrialist Found Slain in Italy

NICE — Police found the body of Italian industrialist Giuseppe Talliercio in a car outside a chemical plant Monday...

Gasoline Bombs

Policemen were attacked with gasoline bombs, stones and sticks in the second straight night of rioting.

Hooligans Blamed

Bricks, bottles and glass littered the streets, and buildings smoldered. Liverpool's chief of police, Kenneth Oxford, lashed out at "hooligans hell-bent on attacking the police."

Violence Blamed

The most seriously injured policeman had a fractured skull, apparently from a flying brick.

INSIDE

Dollar Surges

The Deutsche mark sinks in its lowest level against the dollar in almost five years and the French franc falls to a 23-year low...

Vietnam Blues

In Ho Chi Minh City, says a Western diplomat, "almost everyone wants to get out."

Plan for Ulster

In Belfast, Roman Catholic mediators have drafted a plan for the settlement of the hunger strike by Irish nationalist prisoners...

Finland Grants Loan

HELSINKI (AP) — Finland granted a \$3.5-million loan to Poland on Monday to speed up exports to that country.

East Germans Blame West For 'Serious' Polish Crisis

BERLIN — A week before the crucial congress of the Polish Communist Party, East Germany's state-controlled press Monday described the situation in Poland as "extraordinarily serious."

S. Korea Kills Infiltrator

SEOUL — An armed North Korean infiltrator was shot to death south of Korea's demilitarized zone...

Murder Trial Sheds Light on Modern Clan Warfare

There is no tabulation of the number of murders in Soweto that have been traced to the same Zulu struggles, but it is not uncommon for a dozen or so such killings to be reported in a period of a few weeks.

S. African White Charged as Mercenary in Zulu Feud

By Joseph Lelyveld

PIETERMARITZBURG, South Africa — A white lieutenant in a South African Army reserve paratroop unit is standing trial here on charges of running arms and hiring himself out as a mercenary to a clan of Zulus who are engaged in a blood feud...

Fourteen Zwanes were slain that day, but evidence at the trial revealed that only three of them had bullet wounds. The rest, it was said, died of multiple stab wounds.

Session Called Useful

The statement said only that "a number of current international and bilateral questions of mutual interest were discussed, and the two sides found the meeting useful."

One Report Said

"counterrevolutionary forces" outside Poland had undertaken "permanent interference in the internal affairs of the country."

Another Article Outlined

the activities of Leszek Moczulski, a Polish dissident on trial for slandering the Warsaw government and the East Bloc alliance.

Chief Sithole said

"When the whole thing cools down, there will be lots of wedding parties," the chief said. But he did not seem confident that this would be any time soon.

Manuel Urrutia, 81, Dies; Former President of Cuba

From Agency Dispatches
 NEW YORK — Manuel Urrutia, 81, the first president of Cuba after the revolution that brought Fidel Castro to power, died Sunday. He had been ill with a liver ailment.

Mr. Urrutia, a former judge, was named president of Cuba on Jan. 2, 1959, by Mr. Castro. But a month after he took the oath of office, Mr. Urrutia was reduced to a figurehead when Mr. Castro made himself premier.



Manuel Urrutia

munist lawyer. In 1963, Mr. Urrutia went into exile in the United States, where he became a university professor.

Yevgeny Kharitonov
 MOSCOW (NYT) — Yevgeny Kharitonov, 40, one of seven Soviet writers whose efforts to form an experimental literary workshop led to clashes with the authorities last year, died of a heart attack June 29, literary sources reported.

OBITUARIES

In July, 1959, Mr. Urrutia set the stage for his own downfall when the chief of the Cuban Air Force, Maj. Pedro Luis Diaz Lanz, defected to the United States and said Cuba was going Communist. Mr. Urrutia denounced Maj. Diaz Lanz in a television speech, but he also denounced Communism. Mr. Castro put him under house arrest, and he was later replaced as president by Osvaldo Dorticos, a Communist.

Guatemala Shootout Kills 6 Bystanders

The Associated Press
 GUATEMALA CITY — Seven persons, six of them bystanders, were killed in a shootout in the northeastern part of the capital, police said Monday.

Police said those killed Sunday included the director of a private security organization, the apparent target of the assault.

Mr. Kharitonov clashed with authorities only when he joined the six other writers last November in an attempt to have the Moscow City Council sponsor a literary club where younger Soviet writers could hold readings and publish their works in an "experimental," limited-edition periodical. The official response was a series of arrests and searches, and the group abandoned the project.

Mr. Dolfus first became interested in an airship, died here Friday, a family spokesman said Monday.

Mr. Dolfus was 88. He made his historic Atlantic crossing in 1932. He also wrote a history of aviation and in 1918 founded the Paris Aviation Museum.

Charles Dolfus
 PARIS (Reuters) — Charles Dolfus, 88, the first Frenchman to

cross the Atlantic Ocean both ways in an airship, died here Friday, a family spokesman said Monday.

Mr. Dolfus first became interested in an airship, died here Friday, a family spokesman said Monday.

Violet Hemming
 NEW YORK (AP) — Violet Hemming, 86, an English-born actress whose career in the American theater started in 1908 and lasted 50 years, died Saturday.

Reagan Budget Cuts May Bring Undesired Results

By John Hebers
New York Times Service
 WASHINGTON — It takes a long view of Washington to put the big Reagan victory on budget cuts into perspective.

The way the president's men in the last days of June were pushing for votes, rushing through hastily prepared legislation and thriving on the confusion, reminded the speaker of the House of a Democratic president he had known.

"It was the old Lyndon Johnson style," Rep. Thomas P. O'Neill Jr. of Massachusetts said in a moment of reflection last week.

Little attention was given to the more difficult entitlement programs, such as Social Security, or with its cost-of-living escalator, or Medicaid, where medical assistance costs for the poor were highly inflated. The president's promise to return authority to the states by giving them more leeway in deciding how revenues would be spent was assigned a low priority, partly because members of Congress dislike giving away their authority and the congressional committees had explicitly opposed the block grants.

NEWS ANALYSIS

By that time, however, committing the federal government to new areas had become routine. Subsequent Congresses not only authorized specific amounts for hundreds of programs, but underwrote entitlements such as workers compensation, food stamps and black lung assistance without any realistic estimates of costs.

The comparison, in fact, could be taken further than Rep. O'Neill intended. Both presidents in their moments of triumph were not just drastically changing budgets and priorities, they were making deep and precipitous changes in the basic concept of government, without, many critics said, much investigation into the long range of effects.

Consequences Questioned

Mr. Johnson, supported by the extraordinarily liberal Congress elected in his 1964 landslide, completed the unfinished work of the New Deal by engaging the U.S. government in social and policy areas where it had never been before.

Beginning with some aspects of civil rights and federal aid to secondary and elementary education, at first, the policy was to help those who could not help them-

selves and only in areas where a clear national interest was involved. But as legislation rolled through extending aid to a widening spectrum of the nation's interest groups, some reflective liberals, such as former Senate Majority Leader Mike Mansfield, warned that new structures of government were being created too hastily to know what the eventual consequences would be.

By the end of the 1970s, many liberals were agreeing with conservatives that in some respects, the U.S. government had built a house of cards in which representative government had no place, because the public could seldom know which level to hold responsible for what.

In slicing back federal programs as a way to re-invigorate the economy, Mr. Reagan at first went after what seemed easiest — specific, or "controllable," items in the budget such as vocational rehabilitation or urban community development funds.

Little attention was given to the more difficult entitlement programs, such as Social Security, or with its cost-of-living escalator, or Medicaid, where medical assistance costs for the poor were highly inflated. The president's promise to return authority to the states by giving them more leeway in deciding how revenues would be spent was assigned a low priority, partly because members of Congress dislike giving away their authority and the congressional committees had explicitly opposed the block grants.

Rapid Economic Growth in U.S. West Is Feared as a Threat to a Way of Life

By William E. Schmidt
New York Times Service
 KETCHUM, Idaho — Vine Deloria Jr., a member of the Standing Rock Sioux Tribe who is now a political science professor at the University of Arizona, was talking about the growing threat of rapid development to the American West.

"The cowboys and the Indians are both going to be on the same side in this next fight," observed Mr. Deloria. "Neither one of them wants to end up as husbys at some new Ramada Inn."

Mr. Deloria was among several dozen academicians, authors, business leaders and Western political figures who gathered in nearby Sun Valley last week in an effort to define what many of them regard as the growing threat to the Western way of life that is posed by the kinds of rapid growth now overtaking the region, including exploitation of the area's vast reserves of oil, gas, coal and other energy resources.

It was no easy task, and although the conference was entitled "The American West: Colonies in Revolt," not everyone agreed on just what it is the West is rebelling against. But there was clearly no shortage of villains.

Retirement Fund in U.S. Is Reported Nearly Broke

United Press International
 WASHINGTON — A bleak U.S. government report on Social Security released Monday said that the retirement fund will go broke next year unless something is done, and suggested that cuts in future benefits may be necessary to keep payments flowing to the elderly.

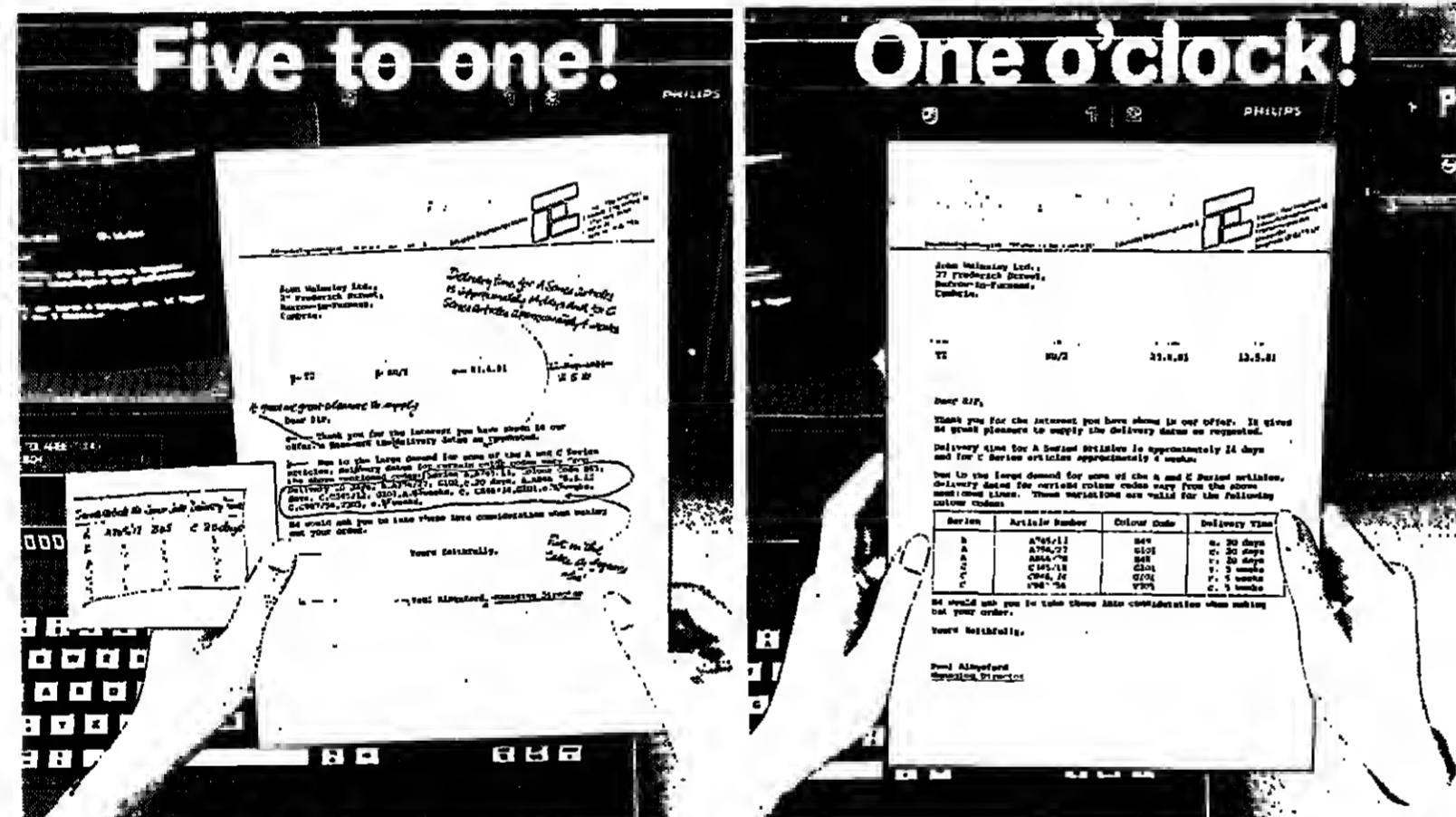
The annual report, written by the departments of Labor, Treasury and Health and Human Services, said that even shuffling money among various internal funds would not necessarily keep the system solvent.

The new assessment makes it appear unlikely that the Congress — already considering raising the retirement age and curbing cost-of-living increases — can put the system back on firm footing without lowering future benefits.

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U.S. Said to Give Political Asylum To Soviet Dancer

The Associated Press
 ISTANBUL — The U.S. government has granted political asylum to a Soviet ballerina who defected from the Bolshoi Ballet, U.S. consular sources reported Monday.

A senior official at the U.S. Embassy in Ankara said Galina Churkina, a member of a visiting Bolshoi troupe, is expected to leave Turkey for the United States within two days.

Miss Churkina, 27, snaked away from companions in a crowded bazaar Saturday and went to the U.S. Consulate, remaining overnight while officials contacted the embassy in Ankara for instructions, police sources said.

Soviet consular officials in Istanbul said Miss Churkina plotted her defection with a Turkish man she met in Moscow. In Moscow, Bolshoi deputy director Bony Venedikt refused to talk about Miss Churkina.

U.S. officials acknowledged the defection but refused to discuss details, saying it was an embassy matter. Turkish authorities said approval for the defection came late Sunday after consultations with the State Department.

Chun Visits Marcos

Reuters
 MANILA — President Chun Doo Hwan of South Korea arrived Monday for talks with President Ferdinand E. Marcos on the last leg of a tour of member states of the Association of Southeast Asian Nations.

Cardinals Named To Study Vatican Financial Deficit

The Associated Press
 VATICAN CITY — Pope John Paul II has named a special council of 15 archbishops from throughout the world to study the financial problems of the Holy See.

The group will meet July 13 and 14 under the chairmanship of the Vatican secretary of state, Cardinal Agostino Casaroli, it was announced Monday. A Vatican spokesman gave no details about the Holy See's finances, but the Vatican issued a gloomy picture in an historic 1979 disclosure.

Members of the special commission are all cardinals, as well as archbishops, from outside Italy. They are Cardinals John Cooke of Philadelphia, Terence J. Cooke of New York, Joseph Höffner of Cologne, Narciso Jubany Arnan of Barcelona, Roger Etchegary of Marseilles, Gerald Emmet Carter of Toronto, Juan Carlos Aramburu of Buenos Aires, Ernesto Corripio Ahumada de Mexico City, Eugenio de Arango Sales of Rio de Janeiro, Marco Orsenigo of Nairobi, Paul Zunguura of Upper Volta, Jaime Sin of Manila, Joseph Paretaul of India, James Freeman of Sydney and Joseph Cordero of Karachi, Pakistan.

The Vatican expected a budget deficit of \$20.2 million for 1979, and it was expected to have grown worse in 1980.

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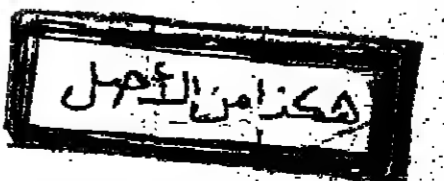
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French Trawler Is Seized By U.K. Navy After Chase

GRIMSBY, England — The captain of a French trawler was under arrest in this east coast fishing port Monday after a 30-hour chase by two British Navy fishery protection vessels and a helicopter, the police reported.

The trawler Jean Mermoz from Boulogne — with a British boarding party on board and its captain, Jean Blainfain, barricaded in his own wheelhouse — was involved in a slight collision with the protection vessel Alderney while turning sharply in an attempt to flee the Alderney and get back to France.

"The situation was unpleasant and very tense," said Lt. Simon Hambrook, first lieutenant of the 1,260-ton Alderney.

The boarding party from the Alderney, led by Lt. Hambrook, had gone aboard the 250-ton Jean Mermoz on Saturday while the trawler was 80 miles northeast of here because the British officials suspected the Jean Mermoz might be using illegal fine-mesh nets.

While they were aboard, Capt. Blainfain locked himself in his wheelhouse, suddenly started his engines and got under way.

The Alderney and the Jersey, another British fishery protection vessel, and a naval helicopter gave chase. "There was no violence and eventually the French skipper stopped," Lt. Hambrook said.

At one stage in the chase, other French trawlers tried to prevent the seizure of the Jean Mermoz by getting between the trawler and the Alderney, he said.

The trawler was put under guard on arrival at Grimsby.

A spokesman for the British Ministry of Agriculture and Fisheries said that the trawler's nets would be checked Monday and that officials would decide whether to prosecute the captain.

The smaller the mesh of a net, the smaller the size of the fish caught in it. Catching immature fish depletes fish stocks.



The British Navy vessel, Alderney, top, collides with the French trawler, Jean Mermoz, as the French ship made a run for France with a British boarding party on deck.

Burden of Cut in British Naval Strength Expected to Fall Primarily on the U.S.

By Drew Middleton
New York Times Service
NEW YORK — The British Navy, starting next year, will send a squadron built around an aircraft carrier to the Indian and South Atlantic oceans as a potential reinforcement for U.S. forces in those areas.

At the same time, however, Britain will reduce the number of destroyers and frigates assigned to NATO from 59 to what the British defense secretary, John Nott, said would be "about 50."

The burden of compensating NATO for the nine British surface ships is expected to fall chiefly on the United States at a singularly inopportune moment. For although the Reagan administration's military budget envisions an expansion of the surface fleet, the ships are unlikely to be available for three years.

The British government, Mr. Nott said in the House of Commons recently, intends to build a new, less expensive class of frigates, the Type 23s. But some naval sources in London doubt that work will begin on these ships for two years and believe that, meanwhile, there may be further cuts in the number of surface ships.

In the interim the U.S. Navy, in company with Britain and other NATO countries, will be forced to patch together a credible force that will be able to perform the missions that in the past were assigned to the British Navy.

Credible Force
The most important NATO component of the British Navy was the Antisubmarine Warfare Group 2, originally composed of an aircraft carrier and 14 escort ships. The group's mission was to perform anti-submarine and anti-aircraft escort duties for a NATO striking force, largely U.S., that would contest a Soviet advance into Norway and bomb targets in the Kola Peninsula, where most of the Soviet northern fleet is based.

A second group of British ships was assigned to protect merchant vessels and troop transports from North America once they entered the East Atlantic. Between 8 and 10 escort ships and an aircraft carrier were to be assigned to this role.

Seven surface ships would be required to escort the British and Dutch marine forces that would land in Norway to reinforce local troops fighting a Soviet invasion. Finally, up to 12 escorts would be needed to clear and patrol the mouth of the English Channel to meet the expected submarine threat.

Mr. Nott believes that, in time, some of the anti-submarine potential of the British Navy's surface ships can be made up by increasing the total of Nimrod long-range surveillance aircraft from 31 to 34 and by equipping the planes with

the long-range Sting Ray torpedo for use against submarines and an air-launched guided missile for operation against surface vessels.

These deployments are unlikely to satisfy NATO naval authorities or counter the psychological shock

NEWS ANALYSIS

suffered by the British Navy by budget cuts that hit that service harder than any other.

Popular Conception
The popular British conception of the navy as the first line of national defense goes back to the words of Charles II's Articles of War: "It is upon the navy, under

the Providence of God, that the safety, honor and welfare of this realm do chiefly attend."

As naval warfare has evolved since 1945, the navy has been represented in popular opinion by the aircraft carrier. Now the new military plan calls for keeping in service only two of the three aircraft carriers of the new Ark Royal class and phasing out an older carrier, the Hermes.

U.S. sources doubt the realism of Mr. Nott's plan to deploy a carrier battle squadron in the Indian and South Atlantic oceans and at the same time employ another carrier for NATO service.

The Americans are shaken because they see the U.S. Navy's responsibilities increased in the Atlantic at a time when the fleet has added new responsibilities in the Indian Ocean and when the Soviet naval presence in the Western Pacific is growing.

Suzuki's Party Loses Ground in Tokyo Elections

Los Angeles Times Service
TOKYO — The ruling Liberal Democratic Party's hopes to gain a majority in the Tokyo assembly for the first time since 1963 have been crushed. A conservative revival that emerged in parliamentary elections last year failed to materialize Sunday in the nation's capital, returns showed Monday.

The Liberal Democrats, a conservative party, won 52 seats in the 127-member assembly, four less than in the last assembly elections four years ago.

The disappointing result for his party in the Tokyo election is expected to cause Premier Zenko Suzuki to act even more cautiously on military questions and other controversial policies.

The result also means that Tokyo Gov. Shunichi Suzuki, an independent supported by the Liberal Democrats, will continue to be forced to rely on coalition support from two moderate parties — the Komeito (Clean Government Party) and the Democratic Socialist Party, each of which added two seats.

Final results gave the Komeito 27 seats, the Communists 16, the Socialists 15, the New Liberal Club 8, and the Democratic Socialists 5. Four independents also were elected. The 54.2-percent voter turnout — the lowest ever in a Tokyo assembly election — appears to have helped the opposition parties.

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U.S. Congress Study Criticizes Thatcher Monetarism

By Hobart Rowen
Washington Post Service
WASHINGTON — The highly conservative economic policy of Prime Minister Margaret Thatcher of Britain, focusing on monetarism and supply-side theory, resulted in the worst recession since World War II, according to a staff study released Monday by the Congressional Joint Economic Committee.

The study acknowledged that inflation in Britain has slowed, "but at a cost in terms of increased unemployment." The unemployment rate is now 11 percent, up from 7.5 percent in 1976, and is expected to reach 3 million, according to British sources.

The study is not clear, therefore, that monetarism's monetary and fiscal policies have found a less costly solution to inflation than older Keynesian management policies," the study said.

Central Conclusion
The study's central conclusion is that monetarism — the reliance on the growth of the money supply to control inflation — is a "waning force in Europe." Other theme is that selective policies are playing an in-

creasingly decisive role in strategies for long-term industrial adjustment, even in France and West Germany, which according to conventional views, are successful because they are free-market oriented.

A JEC press release said that 140 individuals in the four countries were interviewed, including senior treasury officials, central bank officials, and businessmen, bankers, and others in the private sector.

Treasury, Citing 1917 Law, Blocks Delivery in U.S. of Cuban Journals

New York Times Service
NEW YORK — The Treasury, citing a World War I-era law that bars trade with certain foreign countries in the event of a national emergency, has ordered Customs officers to block the delivery of about 30,000 copies of Cuban journals addressed to people in the United States.

The publications include Gramma, the newspaper of the Cuban Communist Party, and Bohemia, a monthly journal. Since May, cop-

50 on Spain Bus Injured
The Associated Press
LERIDA, Spain — About 50 persons were injured as a bus carrying them from Lerida, northeast Spain, to Andorra rolled about 65 feet (about 20 meters) down a ravine Sunday.

The report said that monetarist techniques have been widely applied, but that "in pure form, they have not proved practical in any of the four countries. In Britain, the monetarist experiment "has proved difficult — if not impossible — to put into effect, although the consequences of trying have been severe." West German authorities, according to the JEC report, recently have de-emphasized the use of monetary targets.

Countries such as France and West Germany that have had the most success with long-term industrial strategies have depended heavily on selective credit policies, according to the report. Even the former government of President Valéry Giscard d'Estaing in France, "outed" as free-market and monetarist, "strengthened its system of credit controls, applied monetarism in only a half-hearted way and pursued an aggressive, government-supported industrial policy," the report said. It predicts that the Socialist government of Francois Mitterrand will pursue different, "but equally aggressive industrial policies."

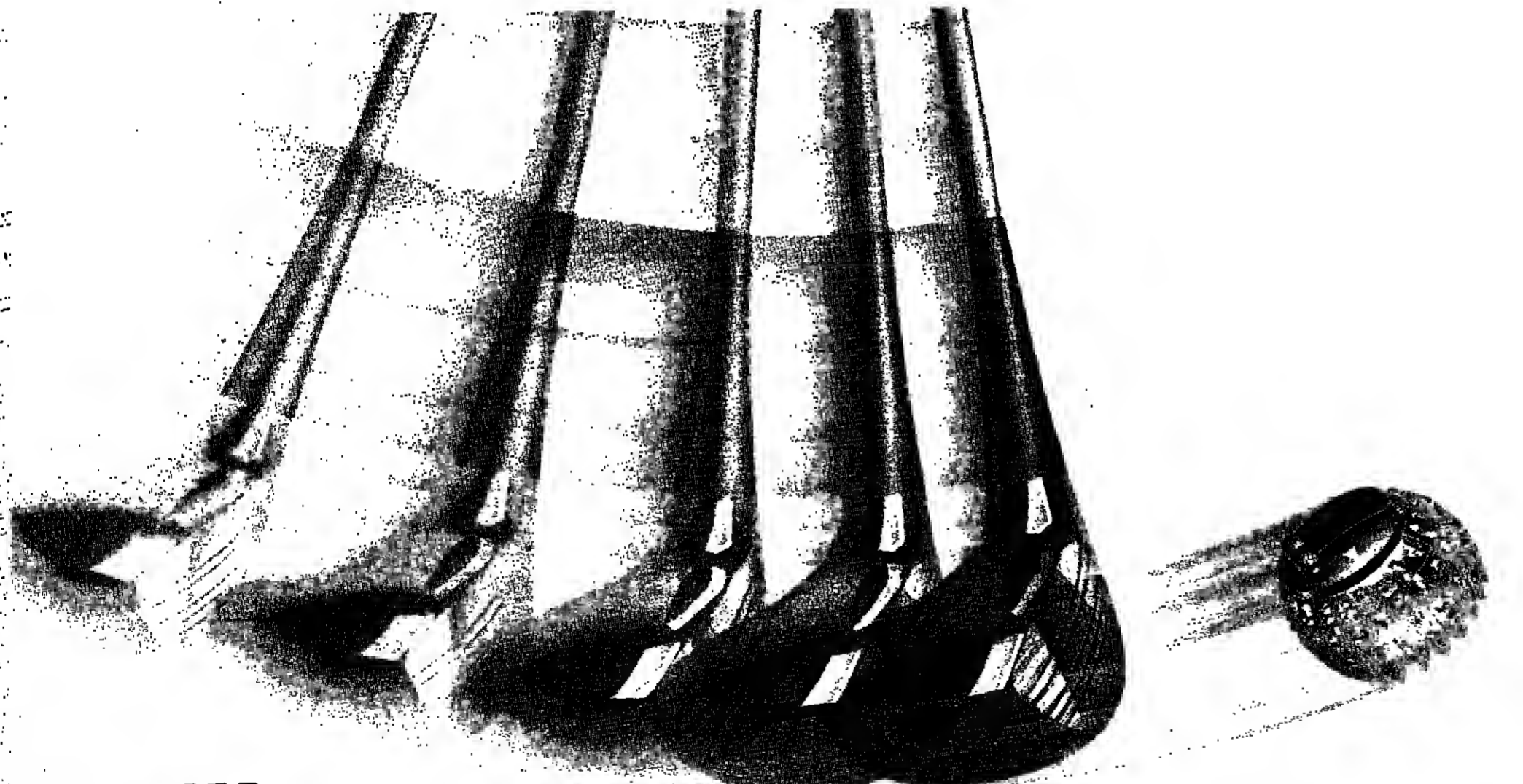
West Germany "is, in fact, far from" an unregulated free market economy, the report said. The West German central bank pursues its monetary targets as part of a coordinated strategy that involves government guidance on wages and prices. Beyond that, cooperation rather than confrontation between West German labor and management has helped productivity growth, the report said.

Officially said that under the Trading With the Enemy Act of 1917, goods that are exempt from the U.S. trade embargo against Cuba cannot enter the country unless the importer has a license issued by the department's Foreign Assets Control Office.

Dennis M. O'Connell, director of the office, said the term "enemy" does not apply to Cuba. He said the section of the act that covers the trade embargo against Cuba relates to the national emergency that has been in effect since the embargo was declared in 1962.

A Treasury official said that Customs officers would check to see whether the addressees possessed licenses.

Wholesale Prices Rise
LONDON (Reuters) — The monthly rise in Britain's wholesale prices accelerated to 0.8 percent last month from 0.6 percent in May, but was below the 1.4-percent increase in April, Department of Industry figures show. The prices are up 9.95 percent from a year ago.



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THOSE of you who know the south of France in its most delightful period, i.e., between March and the foreigners leave, and November when they return again, will have at least one memory of being on a Friday afternoon...

There would certainly be less demand for salt cod. A tradition of the Cote d'Azur is the grand aioli, which marks various holidays, notably Ash Wednesday...

Others. Curnosky, "the prince of gourmets" (a northerner), once remarked that, after eating garlic, "one can only talk in the third person..."

Normally, however, the procedure for making aioli is simple. Put peeled garlic cloves in the bottom of the mortar with salt, which has an abrasive effect and helps you crush the garlic into a smooth paste of uniform texture...

Hot or Cold Jean Alcard, a gourmet of the last century, declared: "This butter is not so spread for bread, it is the sauce which bestows edibility on vegetables, salt cod and vineyard snails..."

"Aioli makes you slightly drunk," he explained. "It saturates the body with warmth and bathes the soul in enthusiasm..."

Leon Daudet, son of the author of that magnificent spoof on the southern character, "Tartarin of Tarascon," wrote that aioli "is a sure means of escaping sickness and death..."

After this you can add it more rapidly, in an unbroken thread of liquid, but never faster than it can be absorbed smoothly into the mixture...

Fashion

Browns Stands Out as London Success

Barely 15 percent of Browns' merchandise is British, with Jean Muir's demure dresses and very expensive British hand-knitted goods dominating the scene...

There is no fashion direction here, except from the very young, Mrs. Burstein said. "Street fashions are very important here and are often picked up abroad..."

Young people like any kind of fantasy, she added. "They work hard, live in suburbs and need the escape. Besides, it's easy here because nobody bats an eyelid, no matter what they do..."

Theater in Berlin

'Smith of Ghent' Revived

Berlin's Deutsche Staatsoper's new production of "The Smith of Ghent" in East Berlin continues the renaissance of Franz Schreker's music that began in Fribourg three years ago...

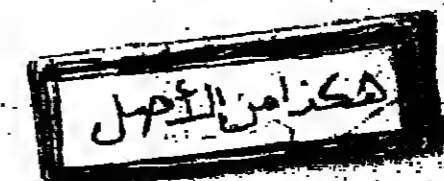
Schreker was born in Monaco in 1878. His father, who was Jewish, was a Viennese court photographer; his mother was an aristocrat...

Chinese Spruce Up Wall PEKING — A 15-mile (25-kilometer) section of the Great Wall in the Golden Mountains 75 miles northeast of Peking is being renovated and will soon be opened to foreign tourists...

NYSE Nationwide Trading Closing Prices July 6

Table with multiple columns listing stock symbols, prices, and trading volumes for various companies on the NYSE.

International Restaurant Guide. FRANCE: PARIS - RIGHT BANK: ASUKA, GOLDENBERG, L'EUROPEEN, MOISSON DU CIEL, LE NOAILLES, LE PETIT RICHE, THE STUDIO, TSE YANG. PARIS - LEFT BANK: ASSIETTE AU BEURRE, LA PETITE CHAISE. PARIS REGION: LA MAISON, LAPEROUSE, CHATEAU DE LA CORNICHE. GREECE: ATHENS/PSYCHICO, DIOSGURI. SWITZERLAND: PULLY - LAUSANNE, AU VIEUX CAVEAU.



BUSINESS NEWS BRIEFS

Mitsubishi Electric Weighs Westinghouse Deal

YOKOHAMA — Mitsubishi Electric is studying a Westinghouse Electric deal for joint production of large-scale integrated circuits and other semiconductor products in the United States, the company said Monday.

Honda Considers Earlier U.S. Production

YOKOHAMA — Honda, Japan's third-largest auto exporter, said Monday it may start production of compact cars in the United States earlier than scheduled.

Arco Says It Will Acquire Ladish

DELETTOWN, Ohio — Arco said Monday it has agreed in principle to acquire Ladish, a Wisconsin metal-forging firm, for about \$221 million.

Alitalia Reports Rise in First Half Sales

ROME, Italy — Olivetti said Monday that parent company sales in the first half ended June 30 rose 26.6 percent above the \$20.7 billion first half of 1980.

Canada Permanent Accepts New Genstar Offer

TORONTO — Canada Permanent Mortgage said Monday that its top management has accepted a new, higher cash offer from Genstar of 31 Canadian dollars (\$25.83) a common share and 36.90 Canadian dollars per series A convertible preferred share.

The board considers the Genstar offer to be fair and adequate and superior to the current First City [Financial Corp.] offer.

Is In on Malaysian Iron Plant

KUALA LUMPUR — A Japanese consortium and two European companies have bid to build the proposed 800 million ringgit (\$368 million) sponge-iron plant in the West Malaysian state of Terengganu, an official spokesman said Monday.

JSCAT, Oman — Japan Oil Exploration and Elf Aquitaine-Oman

spend a total of \$130 million in oil exploration in Oman under concessions awarded Monday by the government on an area of 27,000 square kilometers (10,400 square miles).

Cocoa Countries Snagged

1 Row with Consumers

By Elizabeth Bailey New York Times Service LONDON — Cocoa beans, the raw material for chocolate and other products, are at the center of an increasingly bitter controversy between cocoa-producing and consuming countries.

Company Reports

Table with columns for Company, Revenue, and Profits for 1980 and 1979. Includes entries for France (CII Honeywell-Bull), Japan (Shiseido), and Spain (Ensisides).

Oil Glut Strains Mexican Policy

Price Declines Undermine Rapid Growth Strategy

By Alan Riding New York Times Service MEXICO CITY — The sudden drop in world oil prices has highlighted Mexico's dependence on its oil exports and has raised questions in banking and business circles about the wisdom of the government's current strategy of rapid growth with inflation.

Officials have already admitted a need to borrow an additional \$1.2 billion abroad to compensate for lost oil revenues, but foreign bankers believe Mexico may eventually require between \$2 billion in \$3 billion in new loans on top of the \$5 billion in foreign credits already projected for 1981.

Furthermore, new estimates that Mexico's current account payments deficit this year could exceed \$10 billion have prompted speculation about the future of the Mexican peso, which most officials recognize to be overvalued but which to date has been sustained by steadily growing oil revenues.

'Semi-Euphoria'

"Over the past few years, Mexico has been in a state of semi-euphoria, convinced that oil would sooner or later solve all its problems," one foreign financial expert says. "Now it's suddenly waking up and finding this is not the case."

Even before the fall in oil prices, in fact, there was mounting recognition that recent growth rates of 8 percent a year had seriously overheated the Mexican economy, what with inflation currently running at an annual rate of more than 30 percent, government spending outpacing even oil revenue and industrial expansion requiring huge imports.

Moreover, with rocketing domestic demand consuming much of Mexico's own industrial output, no oil exports have stagnated and oil's share of total

exports has grown steadily to more than 70 percent. The high prices prevailing in Mexico's tourist resorts have also slowed the growth of the industry and prompted Mexicans to opt increasingly for cheaper vacations abroad.

The crisis over oil revenues, however, appears to have led many Mexican and foreign analysts in take a closer look at the country's current economic trends, and some have come away concerned. "You don't see many smiles around these days," one foreign banker remarked.

Political Considerations

Part of the concern stems from political considerations, not only the fact that President José López Portillo is in the final 18 months of his term and must pick a successor later this year, but also because the nationalist outcry that followed Mexico's decision to lower its oil price by \$4 a barrel last month forced the resignation of Jorge Díaz Serrano as head of Petróleos Mexicanos, the state oil monopoly, commonly known as Pemex.

As a result, largely for internal political reasons, the new oil chief, Julio Rodolfo Moctezuma Cid, has been forced to seek a \$2-a-barrel increase — from \$30.60 to \$32.60 for a mixture of its light and heavy crudes — for Mexico's July export contracts despite the current oil glut and the falling price on world markets.

So far, however, many clients are balking at the new price and Mexican newspapers have reported a 550,000-barrel-a-day drop in exports, including cancellations by importers in the United States, France, India, Yugoslavia, Sweden and the Philippines. Until recently, 1.4 million barrels of Mexico's 2.6-million

(Continued on Page 11, Col. 3)



A worker operates oil drilling equipment on a Mexican rig.

Big Board Prices Fall For 7th Straight Day

NEW YORK — Prices on the New York Stock Exchange closed lower for the seventh straight day Monday as investors' concerns about the interest rate outlook persisted.

The Dow Jones industrial average fell 9.89 points to close at 949.30, declines led advances 4 in 1 on volume of 44,590,000 shares, compared with 45,100,000 on Thursday, the last day of trading because of Friday's July 4 holiday.

The Dow has lost 47.47 points in the previous seven trading sessions while falling to a four-month low.

Analysts Comment

Analysts said the market is waiting for some sign that the Federal Reserve will ease its monetary policy, and is focusing attention on Tuesday's meeting of the policy-making Federal Open Market Committee.

Other analysts pointed out that any easing is likely to be modest at best. On the NYSE floor, Conoco and DuPont were among the most active after the two companies had agreed that DuPont would acquire Conoco in a deal valued at \$7.3 billion.

Cities Service, which has figured in considerable takeover speculation, was active and highest most of the session.

Newmont Mining, an energy company that has also been the target of speculation over the past week or so, was active and lower.

After the market closed, the Federal Reserve reported that the nation's money supply M-1A averaged a seasonally adjusted \$361.9 billion in the week ending June 24, unchanged from the previous week.

The broader measure of the money supply known as M-1B averaged \$429 billion in the week.

Storm Warnings Shut Hong Kong Markets

HONG KONG — The Chinese Gold and Silver Exchange Society were closed for trading Monday due to the approaching tropical storm Lynn, an Exchange Society spokesman said.

Meanwhile, the four local stock exchanges were closed for business Monday, as was the Hong Kong Commodity Exchange's gold, soybean, cotton and sugar futures markets.

Dollar Surges as Gold Drops Below \$400

From Agency Dispatches LONDON — The Deutsche mark sank Monday to its lowest level against the dollar in almost five years and the French franc fell to a 23-year low as the dollar gained again on most foreign exchange markets.

The price of spot gold fell below \$400 an ounce on the Commodities Exchange in New York after closing in London at \$403.50. Dealers on the Comex were quoting \$399 an ounce late Monday.

Gold had closed in London Friday at \$414 an ounce. There were no new reasons for the dollar's latest surge other than the high level of U.S. interest rates, dealers said.

One dealer said he had expected profit-taking after the dollar's morning surge. The fact that this did not take place suggests there is still upward pressure on the dollar, he said.

The dollar rose to 2.4520 DM in Frankfurt at one stage, up about three and half pence from Friday's quotations and its highest since October 1976, but it closed at 2.4485 DM. Dealers said they believed the Bundesbank was not intervening to help the mark. In New York, the dollar was trading at 2.4465 DM.

Dealers in London said the Bank of England gave a boost to the pound by lending funds to a small number of discount houses in the British money markets at a rate above the 12 percent minimum lending rate.

The French franc, after some weeks of stability, was also sharply weaker in Paris at 5.8070 to the dollar, its lowest for 23 years, compared with 5.7950 on Friday. In New York, the franc gained slightly to 5.7975 to the dollar. The French currency was holding up well in relation to most European currencies, however.

Sterling, which came under strong pressure last week, was the only currency to close higher against the dollar Monday. After opening at \$1.9017 from Friday's London closing rate of \$1.8920, it sank back to just above \$1.88, close to the three-year low reached last week. It managed to regain ground, however, and closed at \$1.91. In New York, sterling was weaker at \$1.8945. The pound was higher against the major European currencies.

Markets in Europe were thin as dealers awaited the new U.S. money supply figures, which were to be released by the Federal Reserve late Monday in New York. Also, the policy-making arm of the Fed, the Federal Open Market Committee, was meeting Monday and Tuesday, and while its decisions on interest rates will not be made public for another month, dealers will be watching to see if the panel decided to allow the loosening of rates.

Dealers said there was no buying interest in gold, which has been in a severe slump for the past 10 days. Silver fell sharply in London to a fresh two-year low of \$8.16 an ounce, down from \$8.45 Friday.

West German Economists Urge Realignment of EMS

By Paul Taylor Bonn — The Deutsche mark is undervalued within the European Monetary System and an early realignment of parities is required, a panel of economic advisers told the West German government Monday in a special report.

A realignment would be in keeping with consistent anti-inflation policies and to delay it would only mean postponing the inevitable, they said.

The five university economists who regularly advise the government said that record borrowing had created a crisis of confidence in the Deutsche mark and was hindering an economic recovery.

As the mark fell to its lowest level in almost five years against the dollar on foreign exchanges, the economists said that Bonn's massive capital requirements had reduced money available for industrial investment and pushed up interest rates.

The state's present budget management and the deficit which are foreseeable in the coming years have created a crisis of confidence which damages the standing of the German currency," they said in their first special report in four years.

Far-reaching measures to control public spending are essential to enable an early recovery from West Germany's present recession, the panel said.

The government is expected to have a record 33.9 billion DM budget deficit this year, partly because of the high cost of extra unemployment payments.

The Bundesbank said Monday that the West German overall balance of payments surplus narrowed in May to 2.83 billion DM from a 3.68 billion DM surplus in April, and contrasts with the 829 million DM deficit a year earlier.

In their report, the five economists expressed concern at the effects of the Bundesbank's high interest rate policy, which they said were delaying an economic upturn.

The mark could strengthen very rapidly, they said, if there was a credible new fiscal policy that cut the budget deficit and a clear trend towards a lower balance of payments deficit.

In Paris, the Organization for Economic Cooperation and Development said Monday the West German economy is likely to return to growth in 1982 after a decline in 1981.

In its annual survey of the West German economy, the OECD, which groups the leading non-Communist industrialized countries, forecast that gross national product would decline 1.5 percent this year after growth of 1.8 percent in 1980, but would swing back to growth of 2 percent next year.

CURRENCY RATES

Table showing interbank exchange rates for July 6, 1981, excluding bank service charges. Columns include currency, rate, and dollar values.

Advertisement for INVERAGRO S.A. in Argentina, offering rural properties for investment. Includes contact information for Buenos Aires.

Advertisement for Jet Aviation Private Jet Services, featuring a private jet and contact information for Zurich Airport.

Advertisement for BANCO ARABE ESPAÑOL, featuring the Aresbank logo and details of annual general meetings held in Madrid on June 15th, 1981.

Large financial statement for BANCO ARABE ESPAÑOL, including an audited balance sheet and mid-market rate of exchange as of December 31st, 1980. The table lists assets and liabilities in thousands of Spanish pesetas.

Advertisement for ARGENTINE REPUBLIC EXTERNAL U.S. \$ BONDS, part of THE WESTON GROUP. Includes contact information for Zurich and Panama.

Advertisement for THE STRATEGIC METAL TRUST, quoting daily in the Financial Times. Includes contact information for Geneva, Switzerland.

NYSE Nationwide Trading Closing Prices July 6

Tables include the nationwide prices up to the closing on Wall Street.

Main NYSE trading table with columns for 12 Month High/Low, Stock Name, and Closing Price. Includes sections for (Continued from Page 8) and various stock listings.

Questions in Canadian funds

Table listing various Canadian funds with columns for Name, High/Low, and Close.

Toronto Stocks

Table of Toronto stock closing prices for July 3, 1981, listing various Canadian companies.

Montreal Stocks

Table of Montreal stock closing prices for July 3, 1981, listing various Quebec companies.

Canadian Indexes

Table showing Canadian market indexes such as the S&P 500, Dow Jones, and others.

Floating Rate Notes

Table listing floating rate notes with columns for Issuer, Coupon, Maturity, and Bid/Ask prices.

Selected Over-the-Counter

Table of selected over-the-counter stocks and bonds, including various international and domestic securities.

Banks

Table listing bank-related securities and instruments, including various bank notes and certificates.

Non-Banks

Table listing non-bank securities, including various corporate and government bonds.

Turnberry Isle Yacht and Racquet Club advertisement featuring an image of a yacht and contact information.

Silver Spirit advertisement for Franco Britannic, featuring the brand logo and contact details for Paris.

Advertisement for a financial service or investment opportunity, including a detailed text block.

Large advertisement for Lonestar cement, featuring the slogan 'U.S. BRIDGES FALLING DOWN' and a graphic of a bridge.

AMEX Nationwide Trading Closing Prices July 6

Tables include the nationwide prices up to the closing on Wall Street.

Main AMEX table with columns for stock symbols, prices, and volume. Includes sub-sections for 12 Month Stock, 5 Year P/E, and 10 Year P/E.

Chicago Futures

Chicago Futures table listing various commodities like wheat, soybeans, and corn with their respective prices and changes.

U.S. COMMODITY PRICES

U.S. Commodity Prices table listing prices for various commodities such as sugar, coffee, and cotton.

Financial news and market analysis including sections for Dividends, Monday's New Highs and Lows, Business Confidence, Canadian Pacific Buys, European Stock Markets, and Tokyo Exchange.

Advertisement for 'The world at your finger tips.' featuring the Herald Tribune logo and contact information.

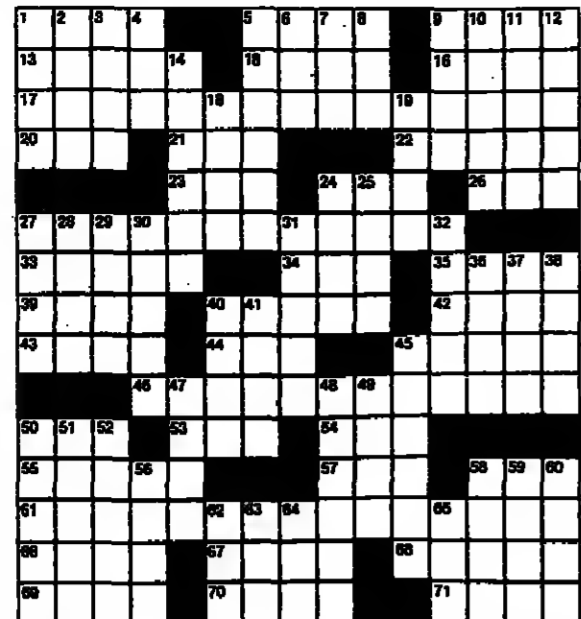
U.S. BOND FALLING

LONESTAR

FORM RETURN ON TIME INVEST

CROSSWORD

By Eugene T. Maleska



ACROSS

- 1 — of Gilead
5 Suburban status symbol
9 Hot spot for hops
13 Sabra's coté
15 — avis
16 Rare bird of a sort
17 Invention of Arthur Wynne
20 Relations
21 Switch
22 French cathedral city
23 EL
24 Pageboy, for one
26 Western-alliance initials
27 Reference book
28 Disturbed, with "up"
34 — Aztec in "Oklahoma!"
35 Slender shoot
38 Valuable hardwood
40 Spud
42 Naturalness
43 — Baker, Charlie
44 Tiny earthmover
45 Junior birdman
46 Exclaim
50 Discs for the disco set
53 Tot's "piggy"
54 Ursuline, e.g.
55 Spreads for "birds"
57 Schedule abbr.

DOWN

- 1 O.J. was one
2 Kind of culture
3 "Crazy" diver
4 Grudgy or Taquary
5 In a minute
6 Word with fish or lock
7 Call
8 Division for a miler
9 Clammer's tooling
10 W.W. II beachhead scene of a march
12 Lock
14 Sweet on — of Bibles
18 Place for a picture
19 — "orb" (papal benediction)

ACROSS

- 58 "He —"
Herbert Gold novel
61 Weighty weekly burden for many
66 Suffix for cigar or usher
67 Mischief for the Met's Mitchell
68 Well-known chesses
69 Sound of the 20's?
70 Merry-andrew
71 Revise a 17 Across

DOWN

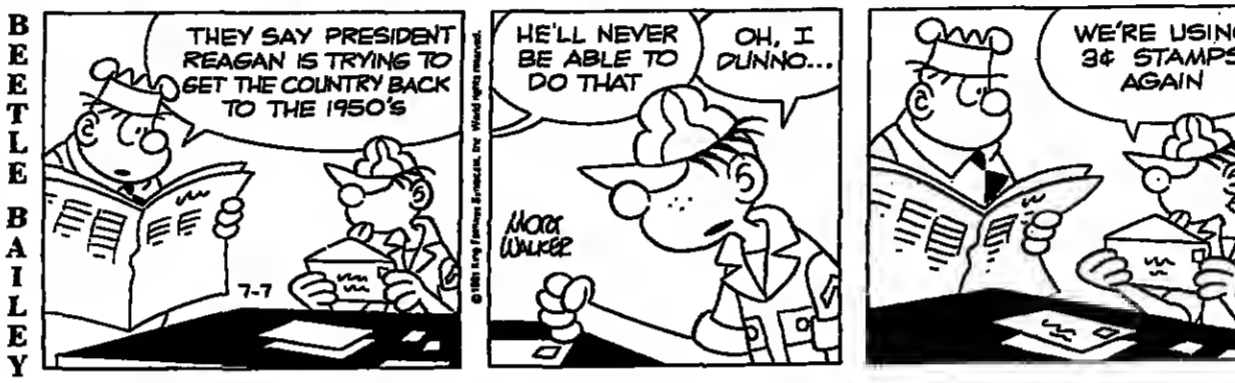
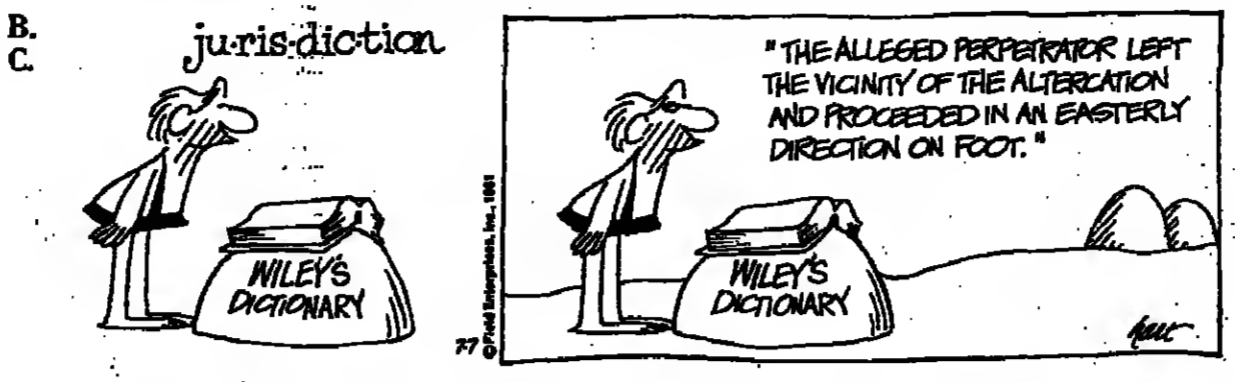
- 1 O.J. was one
2 Kind of culture
3 "Crazy" diver
4 Grudgy or Taquary
5 In a minute
6 Word with fish or lock
7 Call
8 Division for a miler
9 Clammer's tooling
10 W.W. II beachhead scene of a march
12 Lock
14 Sweet on — of Bibles
18 Place for a picture
19 — "orb" (papal benediction)

WEATHER

Table with columns for High, Low, and weather conditions for various cities like ALBANY, ALBANY, ALBANY, etc.

ADVERTISEMENT INTERNATIONAL FUNDS

Table listing various international funds and their performance metrics.



JUMBLE: THAT SCRAMBLED WORD GAME. Includes a grid of letters and a cartoon of a mouse.

BOOKS

FAMILY PHOTOGRAPHS: Content, Meaning and Effect. By Julia Hirsch. Illustrated. 139 pp. \$14.95.

Reviewed by Anatole Broyard. MOST of us have picturesque parures in "Family Photographs" that while the women usually make strong eye contact...

Every family album is a more or less superficial psychoanalysis. We project onto the photographs and subtract from them too. Innocent scenes turn haunted, and tense ones are romanticized.

According to Hirsch, it is also fictionalized biography. In the old photography studio, this biography was often idealized by placing the subject in front of the kind of backdrop his imagination hungered for.

HOW IT FEELS WHEN A PARENT DIES. By Jill Kremenetz. Illustrated. 110 pp. \$9.95. Alfred A. Knopf, 201 E. 52d St., New York 10022.

"I WAS playing a game with my five sisters in the living room when he heard a loud bang. This is an 8-year-old girl telling us how his father shot himself at the age of 29.

For three months, he didn't talk to anyone, and then one day he said to himself, "Jack, you might just as well relax and don't think about him and just live your life."

Kremenetz has a way of inducing or allowing children to say heartbreaking things. One girl of 15 had all of her crying secretly, on horseback. A boy of 8 went around the house turning out all the lights after his father died.

"I know what you must be going through here, have some brownies." This is what adult friends said to an 8-year-old girl whose father was killed in a car crash.

A common complaint of these children is that the surviving parent doesn't talk enough about feelings. It seems that death almost always leaves children groping for words.

Selection to Previous Puzzles. Includes a grid of numbers and letters for a puzzle.

BRIDGE. By Alan Truscott. ON the diagrammed deal, South's hand was well below the normal standard for a two no-trump opening.

However, East made the normal play of taking the ace and returning the deuce forcing the king on which West unhooked the ten. South led to the heart king and finessed the jack.

Both sides were vulnerable. South was in the lead, but the last heart lead developed into a diamond trick for East.

WEST: ♠ 9, ♥ 9, ♦ 7, ♣ 4. EAST: ♠ 10, ♥ 8, ♦ 10, ♣ 9. SOUTH: ♠ 7, ♥ 10, ♦ A, ♣ K.

If East had routinely returned a club, South would have won and played two heart winners for a simple squeeze in the minor suits. He did better by returning the diamond jack, but...



Art Buchwald

Wooping the Weevils

WASHINGTON — President Reagan is given full credit for his budget-cutting victory in the House. He used the telephone to persuade 29 "boll weevil" Democrats to vote for this program, which gave him just enough of a majority to get all the cuts through without debate.



"I wasn't listening on the phone when he made the call, but I heard they went something like this. 'Congressman Lighter, this is Ronnie Reagan. I have a great favor to ask of you.' 'Yes, sir, Mr. President.' 'I would like you to break from your party and the Democratic leadership, and vote your conscience by passing my budget recommendations without reading them.' 'That's pretty tough to do, Mr. President.' 'Well, in Florida we raise a lot of sugar and we're interested in farm supports for our crop. The world price of sugar is ridiculous, and unless the federal government steps in and keeps the price above 19 1/2 cents a pound, I'm going to have a lot of unhappy farmers in my district.' 'Come to think of it, Tom, the Gipp did mention sugar subsidies. I think he exact last words were, 'Ronnie, I got one more favor to ask of you. Whatever you do, don't ever let imported sugar drive down the domestic price, so our own farmers can't sell theirs at a profit.' 'I said that?' 'The Gipper loved sugar, Tom, as much as he loved life itself.' 'That's a wonderful story, Mr. President. I'm glad you called me up and told it to me. I'm going to go out there tomorrow and win one for sug... I mean, for the Gipper.' 'Bless you, Tom. By the way, who else has a sugar problem in your state?' 'Yes, sir, Mr. President.' 'Gipp continued, 'And because

they're Democrats, Ronnie, they're going to vote their own budget-cutting package, which will not do the job, and sabotage your well-thought-out economic package. These free spenders, who don't care what happens to the taxpayer's money, will forget the mandate that you won from the American people to cut out all the social programs that destroy incentive and cause inflation that hurts every man, woman and child in America. 'Is there much more to this story, Mr. President?' 'Gipp was having a hard time breathing by then, but he told me, 'The day before the vote, the Speaker is going to do some dirty maneuvering to see that all the reforms you worked for will go down the drain. It is then, Ronnie, when you think all is lost, that I want you to do something for me. 'Anything, George, I told him. And he said, 'I want you to call up 29 Democratic congressmen, men who would vote their convictions over their party loyalty, and tell them — and tell them, to win this one for the Gipper. That's the end of my story, Tom.' ' 'Did George Gipp say anything about sugar?' 'I don't think so.' 'Well, in Florida we raise a lot of sugar and we're interested in farm supports for our crop. The world price of sugar is ridiculous, and unless the federal government steps in and keeps the price above 19 1/2 cents a pound, I'm going to have a lot of unhappy farmers in my district.' 'Come to think of it, Tom, the Gipp did mention sugar subsidies. I think he exact last words were, 'Ronnie, I got one more favor to ask of you. Whatever you do, don't ever let imported sugar drive down the domestic price, so our own farmers can't sell theirs at a profit.' 'I said that?' 'The Gipper loved sugar, Tom, as much as he loved life itself.' 'That's a wonderful story, Mr. President. I'm glad you called me up and told it to me. I'm going to go out there tomorrow and win one for sug... I mean, for the Gipper.' 'Bless you, Tom. By the way, who else has a sugar problem in your state?' 'Yes, sir, Mr. President.' 'Gipp continued, 'And because

By Henry Allen Washington Post Service WASHINGTON — Jacques Servan-Schreiber is the last American. He is French, this dernier Américain, the French having made an intellectual cottage industry of telling us who we are. De Toqueville, etc. Plus ça change, etc.

"You have the greatest computer scientists in the world — Stanford, MIT — and you don't listen to them!" says JISS, as he likes to call himself ("the most famous initials in France, along with BB for Brigitte Bardot."). JISS, at 56, has a hair style reminiscent of the sort of guy that Playboy was designed to reach in the 1950s: the style of, say, the first electrical engineer in Milwaukee to own a British sports car. *Tier American.*

The Servan-Schreiber Challenge

He acquired his fascination with the American way during World War II, when he fled France to become a fighter pilot under De Gaulle. "The American flight training was so thorough. It was fantastic, the massive scale of it — they had to invent new methods of moving the people through."



After the war, he finished his education at the Ecole Polytechnique, one of France's grandes écoles. This was all part of being from a large, rich, well-connected publishing family, a background that has contributed to his being called the French John Kennedy. Nobel-Prize-winning novelist Francois Mauriac once dubbed him "the Kennedylet."

French. How America-of-the-1950s, "the American century."

"We had Mauriac, Malraux, Sartre and Camus writing for us," he recalls. Around that time, too, "I became the youngest assistant to Pierre Mendès-France. I was the one who named him PMF." Mendès-France was the prime minister remembered in the United States largely for his doomed campaign to persuade the French to drink milk instead of wine.

ing which the staff sometimes wasn't sure who was running it, he sold it to the Anglo-French industrialist Sir James Goldsmith in 1977. He spent three weeks as a member of the Cabinet of Valéry Giscard d'Estaing, then was dismissed for his disagreement with nuclear testing in the Pacific. When he lost his Lorraine seat in 1978, he was left with no firm power base. He began "The World Challenge," which he put together with a staff of four who are not mentioned in the book.

He likes to call the book a novel. "Yes, of course. It's about human beings and adventure." Breathless Style The style is breathlessly anecdotal in the style of, say, the old Saturday Evening Post. "High in the mountains of Jezaz in Saudi Arabia, before the land drops sharply to the Red Sea, sits a quiet little village lost to the outside world..."

PEOPLE: Miles Davis Hailed, Booned

Herbie Mann, Gato Barbieri, Carlos Santana and 2,735 other concertgoers were rustling expectantly in their seats at Avery Fisher Hall in New York, eager to hear trumpeter Miles Davis' first concert in half a decade. The only celebrity missing was Davis. For weeks, publications as diverse as Downbeat magazine and The Wall Street Journal had devoted space to Davis' planned emergence from semi-retirement on the final night of what was previously known as the Newport Jazz Festival. After all the ballyhoo, the audience that paid up to \$25 a seat began to fear that Davis — a recluse who has been in poor health — might be living up to his image as a musician who often fails to materialize for performances. A master of economies promised necessarily, Davis was on his way to play the music of the '80s."

fore, take-off. Saturday night Miles Davis booned the annual champions' dinner at the swank Savoy Hotel after topping Sweden's Bjorn Borg at Wimbledon.

President Reagan's press secretary, James S. Brady, returned to the White House last weekend, but only for a brief appearance at an Independence Day party. He also went to a nearby hotel to watch a Fourth of July fireworks display. Brady, still recuperating from a gunshot wound to the brain during the attempt on Reagan's life in March, returned to George Washington University Hospital after the shooting. At the White House, he appeared on the Truman balcony in a wheelchair for about five minutes, accompanied by his wife, Sarah. He did not meet with Reagan, who was at a birthday party in Virginia for his wife, Nancy. Although doctors say Brady may never regain full use of the left side of his body, they have termed his progress since the shooting almost miraculous.

Philadelphia's highest honor, the Freedom Medal, is resting in a house that honors a Polish hero of the Revolutionary War, waiting for a modern-day Polish hero. Lech Walesa, Solidarity union chief, was awarded the medal by Mayor William Green. Walesa was unable to be on hand to receive the medal, but Green sent him a telegram that said: "The medal was presented in recognition of your valiant struggle for freedom and reflects our admiration for the courage and fortitude of the Polish people." After the ceremony, Green took the medal to Thaddeus Kosciuszko House, a national historic site that commemorates the Polish hero of the American revolution. Green said the medal will remain at the house until Walesa can pick it up personally.

ANNOUNCEMENTS

THE WALL STREET JOURNAL INTERNATIONAL EDITION. READERS FOR U.K. & Continental Europe: £225 (1 year), £125 (6 months), £65 (3 months). Payable in dollars or equivalent in local currency. Delivery by Jet Air Freight from New York every business day.

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